KAY IVEY GOVERNOR



ALABAMA DEPARTMENT OF ECONOMIC
AND COMMUNITY AFFAIRS

KENNETH W. BOSWELL DIRECTOR

SIMIL OF 1

May 17, 2021

Mr. Kelly Butler Director of Finance Department of Finance State Capitol Montgomery, Alabama 36130

Dear Mr. Butler:

RE: Report on ADECA MOU for CARES Act Coronavirus Relief Funds ABC for Students Program

The ADECA accounting system has expended \$29,825,812 for the ABC for Students program through April 30, 2021. This includes \$3,408,000 expended for the administration of the program during the Fall 2020 Semester. CTC's team received approval for the budget for second semester/Spring 2021 effort in late April and will include detail on that cost in the May/June report. However, we anticipate that total program expenditures (through June 30, 2021) will remain within budget.

Program Status: Maintenance

The ABC program continues to provide free internet service to more than 200,000 low-income Alabama schoolchildren. While the program is no longer accepting new customers, it continues to cover monthly service fees for households that enrolled before December 30, 2020. In April, the program has focused almost exclusively on customer service for existing customers, facilitating the distribution of Phase IV devices to eligible families through the schools, and addressing questions and concerns about the transition to the emerging Emergency Broadband Benefit (EBB). These details are elaborated below.

Customer Service

The program continues to operate a call center to field customer questions and concerns. From its inception, the ABC Ambassador Center has handled more than 107,000 calls (inbound and outbound). Call volume has slowed considerably since December 30, as the program is no longer accepting new customers. To reduce program costs, the call center temporarily reduced its staff to a low of 5 ambassadors due to the lower call volume during this maintenance period. In recent weeks, we have expanded staffing to address questions about the EBB. There are currently 11 Ambassadors and staff may be supplemented if call volume increases with the launch of the EBB (May 12, 2021). While substantially larger than the current team, the center will remain smaller than it was at the program's peak (34 Ambassadors in fall 2020). The Ambassador Center continues to operate from 9:00 a.m. to 5:00 p.m. CT five days a week.

In April, the call center began its pivot to help ABC customers transition to the new Emergency Broadband Benefit (EBB) as the end of the ABC program comes closer.

The Center is currently fielding approximately 305 calls each day. These include customer service challenges and complaints about lost, missing, or defective devices along with calls from previously eligible households that are now seeking to redeem their vouchers. In recent days, customers have also called for guidance about applying to the EBB. While ABC Ambassadors cannot complete the application on behalf of customers, the team is walking customers through the process. We anticipate a growing number of inquiries in the coming weeks as the EBB program launches. Significantly, the FCC's EBB website has had significant technical difficulties, which has likely impacted early enrollment.

While the program is no longer accepting new customers, ABC for Students has gathered information about alternative low-cost internet service options on its website (here) and directs callers seeking to use vouchers for service to that site. This site was recently modified to include details about the EBB.

This spring, the Ambassador Center initiated a large-scale outbound calling effort (with approximately 5,000 total outbound calls and 1,550 calls this month). Outbound calls served two key purposes:

- 1. To support Phase IV of the ABC program: Under Phase IV, ABC provided hot spot devices on demand to 12 school districts in the Black Belt. Those districts, in turn, executed a Memorandum of Agreement with the state to distribute devices to eligible students. In March and April, ABC Ambassadors contacted households in these districts to remind them of the availability of these devices through their districts. This outbound calling effort complemented the ABC "Spring Forward Road Trip," described in the March update.
- 2. Ambassadors have also contacted eligible households who had failed to redeem their vouchers prior to the December 30, 2020 deadline (but had attempted to do so in subsequent weeks). ABC staff contacted these households to alert them to the emerging EBB and to provide instructions to ensure that they would be prepared to enroll in the program when it opened to the public (in May). These households were very appreciative of the communication and grateful to learn about alternative funding options.

FCC Emergency Broadband Benefit Program

On February 25, 2021, the FCC adopted the rules and policies creating and governing the EBB Program. These rules were <u>published in the Federal Register</u> on April 13, 2021 and the program opened to the public on May 12, 2021. Pursuant to the EBB, eligible households can receive a discount of up to \$50 per month toward broadband service. Because households that are eligible for the National School Lunch Program and all ABC customers participate in the NSLP, all participating ABC households are likewise eligible for the EBB. ABC Program staff have worked closely with ISPs, the Department of Education, schools, and ABC customers to facilitate the transition to the EBB, which will allow eligible households to receive continued discounts through the summer (and perhaps beyond).

ABC staff met with the FCC to explore ways that we can leverage the program to support this transition. While the FCC was unable to approve an automatic verification for ABC customers, ABC Ambassadors are intimately familiar with the enrollment process and can walk families through registration and verification. In April, ABC prepared a variety of communication materials to educate stakeholders about the EBB. This included:

- 1. A <u>toolkit</u> for school administrators and <u>email to superintendents</u> throughout the state about the EBB. The toolkit included <u>flyers and infographics in English and Spanish</u> for schools to distribute to students and families, a collection of <u>social media posts</u> to promote the program, an <u>audio recording</u> (MP3) (in English and Spanish) to use on local media outlets or robocalls, <u>robocall and SMS scripts</u> for parent outreach, and an <u>explanatory guide</u> to the menu of resources. The toolkit was sent to 142 superintendents and was opened by more than half (53.5%).
- 2. Emails (2) to nearly ABC customers (sent to those who had provided a valid email address as part of their registration process with their chosen provider) alerting them of the impending program conclusion and their eligibility for the EBB (available here and here).
- 3. An <u>email to all ISPs</u> encouraging them to register as participating service providers in the EBB and sharing details about the program.
- 4. Scripts and training for Ambassador Center Staff and <u>recorded greetings</u> at the Ambassador Center about the EBB.
- 5. Updates to the ABC website, adding details about the EBB to the <u>alternative low-income</u> <u>program page</u> and creating a <u>stand-alone page</u> about the emerging program.

In addition to these materials, the ABC staff continues to provide guidance and support to the 42 service providers that are participating in the ABC program. The vast majority of the ABC ISPs are participating in the EBB. Through this participation, these ISPs will be able to continue to provide critical broadband services to low-income Alabamians through the summer. ABC staff has helped the ISPs understand the relationship between the programs and the process for converting their ABC customers to the EBB.

Invoicing

As of May 13, 29 providers (roughly 70%) have submitted April invoices and 10 providers (nearly one-fourth) have already submitted May invoices. Absent significant errors, invoices are processed and sent to ADECA within 5 business days. To date, 19 April invoices have been submitted for approval.

Program Spending

Spending to-date for the program continues to be lower than projected with cost under-runs for the program based on the original budget of \$100M. Total program expenditures through

December 30, 2020 were \$23,208,364. The approximate estimated cost for January through June for services for claimed vouchers is just shy of \$27M.

ABC staff negotiated improved terms with both Verizon Wireless and AT&T for discounted service for the nearly 43,000 devices that were distributed through Phase IV of the program. These efforts have led to substantial savings.

Next Steps

ABC for Students providers will continue to provide uninterrupted service to more than 200,000 low-income Alabama schoolchildren through June 30, 2021. The ABC Call Center will continue to address customer service issues and identify alternative service options for non-participating households. The program will continue to develop communications materials to prepare ABC customers for the program's conclusion on June 30, 2021.

The program is developing a detailed white paper documenting the program's success and identifying lessons for future efforts.

Please let us know if there are questions or further information is necessary.

Sincerely.

Kenneth W. Boswell

Director

KWB/tjr